MaineCare Section 25 Dental Rate Reform

Executive Summary

As part of MaineCare's Rate System Reform, the Department has conducted a comprehensive benchmarking analysis of dental rates during State Fiscal Year 2022 and will implement new rates based on that analysis in State Fiscal Year 2023. This document lays out the standard methodology for setting MaineCare dental rates based on this benchmarking analysis.

In calendar year 2021, MaineCare spent $21.4 million in payments to providers of dental services, other than Federally Qualified Health Centers. Recommended rate changes would result in a projected all-funds increase in spending of over $8 million annually for the current dental benefit. This is an increase of over 37%. This fiscal impact analysis and this document in general do not address any additional spending tied to the potential for increased utilization resulting from these rate adjustments. Separately, MaineCare will be extending a comprehensive dental benefit to adults, effective July 1, 2022. The estimated fiscal impact of this expansion equals $37 million and assumes the same rate adjustments.

Methodology Description

The standard rate setting methodology for the dental benefit considers two sets of benchmarks derived from commercial and state Medicaid program reimbursement rates in order to determine the MaineCare rate of reimbursement for each Current Dental Terminology (CDT) code. We sourced commercial payer data for dates of service from July 1, 2020 through June 30, 2021 from the Maine Health Data Organization's All Payer Claims Database: https://mhdo.maine.gov/. We retrieved current Medicaid reimbursement rates for all states directly from each state Medicaid agency's website.

MaineCare determined a commercial median benchmark for each CDT code. The commercial allowed amount for each claim/service is equal to the sum of the paid amount, copay amount, coinsurance amount, and deductible amount. To determine the commercial median benchmark for each CDT code, we limited the data to commercial payer dental claims paid as primary and claims with a rate paid greater than zero. We established the median allowed amount across the valid paid claims for that code as the commercial median benchmark. We excluded MaineCare claims from the analysis.

We determined an "All States Medicaid Average" benchmark for each CDT code. For each service, we established a benchmark rate at the average of all states' rates. Some states establish a rate differential for child and adult services. In these instances, the child and adult rates were averaged, and the resulting average rate was used in determining the overall average of all states' rates for the service.

The standard rate setting method first considers the commercial payer benchmark. We set the MaineCare reimbursement rate using the commercial benchmark if we determined that the commercial benchmark data met criteria for reliability, reasonableness, and impact on access. We established the proposed MaineCare rate at either 67% or 50% of the commercial median benchmark based on the service type for each CDT.

We did not use the commercial benchmark for a CDT code if it failed to meet one or more of the following requirements:

- Commercial benchmark was available
- The CDT code had sufficient commercial utilization (equal to or greater than 100 claims billed per code)
- Using the commercial benchmark would not create an access to care issue for a critical preventive service due to a projected decrease to the MaineCare rate
- Using the commercial benchmark would not result in a drastic increase of the rate, potentially creating an infeasible fiscal impact. The proposed rate must be equal to or less than 300% of the current MaineCare rate.

For CDT codes that did not meet one or more of these criteria, we next evaluated the "All States Medicaid Average Rate." This rate was assessed using the same assessment criteria used to determine the reliability, reasonableness, and impact on access of the commercial payer benchmark, with the exception that there was no criterion regarding low utilization, since we do not have that data for other states.

If the 'All States Medicaid Average' benchmark does not meet the criteria either, then we flagged the code for deeper review, and we conducted an options analysis to determine if any of the benchmarks result in appropriate rates, regardless of the requirements listed above, or if we need to develop another methodology.

The Dental Consumer Price Index (CPI) increased by 2.34% from Jan 2021 – Jan 2022, and we are proposing to increase all benchmarks by that amount to reflect increases that may have occurred since we collected the data.

We will establish the rates for dental services for each CDT code using a percent of the selected benchmark that varies by type of service. We apply a higher percent of benchmark for preventive and other critical services in order to provide additional incentive for high value care that can improve quality of life and decrease further intervention and costs in the future:

Service Type	If Rate is Determined by Commercial Benchmark	If Rate is Determined by Medicaid Benchmark
Diagnostic	67% of the median commercial allowed amount	100+% of the average of other state Medicaid rates*
Endodontic		
Periodontic		
Preventive		
Adjunctive General	50% of the median commercial allowed amount	100% of the average of other state Medicaid rates
Maxillofacial Prosthetics		
Oral and Maxillofacial Surgery		
Orthodontics		
Prosthodontics		
Restorative		

*higher rate for preferred services still under development

Potential Adjustments for Relational Codes

If a code is part of a series with quantities (e.g. 1 surface, 2 surface, …), then the resulting rates are reviewed to ensure a consistent, logical progression.

If there are multiple codes for a service related to material types (e.g. base metal, noble metal, …), then the resulting rates are reviewed to ensure there is an appropriate relationship between the codes.

If a code is part of a series related to the patient's age, then additional review is conducted to determine if all codes in the series should have the same rate, or if there is evidence that an age-related differential is appropriate.